Good governance **creating value**

Bidcorp, operating as Bidfood in most geographies, has a decentralised model which encourages the entrepreneurial spirit contained in each of its businesses.

Each business is independently and directly responsible for the management of its operations – this is what decentralisation means to Bidcorp. Each operation owns its own supply chain, hunts, and targets its own customer portfolio, negotiates, and contracts independently, positioning a unique value proposition, within the group's overall strategy and business model.

The varied cultural nuances that you will find within our group is vital to differentiate and create that "stickiness for success" needed with stakeholders in each of our local operations. Customers should see each business as an autonomous, small, local business and yet be confident in the knowledge that Bidfood is able to deliver world-class quality.

Sound corporate governance is deeply embedded in Bidcorp's business processes to ensure that all stakeholders derive full, sustained value from a business founded on honesty, integrity, accountability, and transparency.

Each of Bidcorp's businesses are grouped into a geographically defined division. Each division is quarterly convened, under the lens of the independently chaired divisional audit and risk committee. These quarterly committees conduct a robust, in-depth financial and non-financial review of business-by-business results. In addition, governance updates, combined assurance reports, ESG information, and a risk review makes up the agenda.

> *"Bidcorp's strength lies in its decentralised management teams, enhanced by an engaged board demanding robust governance and yet at our core, keeping it simple."*

Each management team, being the chief executive officer and chief financial director, sign a quarterly management representation letter, providing an additional layer of assurance and comfort that policies are in place, are well understood, and implemented by all.

How we integrate Bidcorp recognises the value of an integrated governance approach combining the inputs of the business-owned risk management, assurance, and compliance functions. Bidcorp manages the challenge of good governance in a decentralised environment through the rigorous integration Bidcorp governance framework, being the four basic pillars of governance, assurance, compliance, and risk management. This governance framework ensures respect for legislated requirements and regulatory compliance yet is flexible enough to accommodate innovative and value creating solutions to meet these demands.

Our people are pragmatists with the knowledge and experience to recognise scope for improvement and implement necessary change – whether the concepts are independently developed or spring from shared experience. These practices apply to creating value through good governance and more so to creating value through business success.

What the board focused on during the year

Regular board agenda items include a comprehensive group-wide performance overview presented by the chief executive officer, a detailed analysis of the key financial indicators at both a group and divisional level from the chief financial officer and feedback from the chairs of board committees on the deliberations of those committees (including a group-wide risk review from the audit and committee and the non-financial ESG issues from the social and ethics committee). The board also had the following important discussions summarised as follows:

Throughout the year there was additional focus placed on operational updates, monitoring the impact of COVID on the group's stakeholders.

Q1 – July to September 2020
- 2020 results announcement
- Approval of 2020 notice of AGM, remuneration report and annual integrated report
- Capital markets trading update

Q2 – October to December 2020
- Shareholder engagement process following the remuneration policy vote at the 2020 AGM
- Deliberating on the approach to the JSE required financial controls attestation

Q3 – January to March 2021
- Sad and untimely loss of board NED, Mrs Dolly Mokgatle
- Succession planning for the board vacancy
- Review and approval of the 2021 interim results announcement
- Preparing the draft 2021 remuneration policy, in light of shareholder feedback

Q4 – April to June 2021
- Review and approval of the governance charters and policies
- Strategy review and 2022 budget approval
- Deliberated on ESG progress and non-financial targets
- Sign off of the CEO and CFO financial controls attestation process
- Appointment of NED Mrs Keneilwe Moloko

Beyond QUARTER 4 – July to October 2021:
- Response to the Miumi fraud, the decision to delay the 2021 year-end results announcement and the communication thereof to the market
- Review and approval of 2021 notice of AGM, remuneration report and annual integrated report

Board of directors

Stephen Koseff
Chairman

Brian Joffe
Independent Non-Executive Director

Executive directors

Bernard Berson
Chief Executive Officer

David Cleasby
Chief Financial Officer

Paul Baloyi
Independent Non-Executive Director

Helen Wiseman
Independent Non-Executive Director

Nigel Payne
Lead Independent Non-Executive Director

Clifford Rosenberg
Independent Non-Executive Director

Tasneem Abdool-Samad
Independent Non-Executive Director

Welcome

Keneilwe Moloko
Independent Non-Executive Director

Joined: July 5 2021

See full CVs on page 84 – 85 .

Board composition

Board nationality

70%	South Africa
30%	Australia

Board by gender and race

30%	Female
70%	Male

The board is satisfied that its composition reflects the appropriate mix of race and gender diversity.

30%	Black
70%	White

Board tenure

0 – 3 years	3
3 – 9 years	5
9 years and more	2

One third of the directors resign at each AGM. This enables shareholders to appoint directors to the board who they believe brings the appropriate skills to the board.

Board by age

3	45 years – 55 years
5	55 years – 65 years
2	65 years – 75 years

Good governance creating value

Good governance through COVID

Bidcorp's response during the COVID crisis has demonstrated the agility of the board and the resilience of management in responding to a crisis:

- board meetings convened on ZOOM, keeping communications current and meeting board calendar commitments
- group executives recognising the opportunity to share best practice responses to address the various government restrictions put in place through the COVID pandemic
- group chief executive officer updated the board as key material issues arose, highlighting the status and response implemented by teams around the group
- Bidcorp's decentralised, entrepreneurial model empowered each local management team to respond and make the tough decisions necessary as events unfolded, keeping the operations agile, and meeting immediate needs of the local team and community
- group finance team prioritised daily engagement with all group businesses to monitor and assist in cash management
- group-wide liquidity and cash management reporting, engaging with financial institutions to agree the potential provision of facilities as required

The board supports the executive management team and applauds the operations for their nimble, innovative, and market-leading response in seizing the opportunity presented in this "new normal".

Ethical culture

As a global organisation, Bidcorp is made up of many geographies, nationalities, authorities, governments, languages and cultures. On this basis, a strong ethical foundation is crucial to establishing the Bidcorp culture to underpin the defining traits that sets us apart, as demonstrated by ensuring we maintain an ethical culture, governance structures are regularly reviewed to align with best practice and reflect regulatory changes.

- Mandatory quarterly declarations from each business confirms entity-wide application and compliance to the Code of Ethics
- The group adopts a zero-tolerance approach to fraud, anti-bribery and corruption, as set out in the Fraud Policy and Code of Ethics, and will report all acts of criminality to the authorities
- The group adopted a malus and claw-back policy, entitling the stakeholders to request a claw back performance-based elements of executives' remuneration should that executive be found guilty of involvement in a material misstatement of the financial statements
- Annual related party declarations are completed by all senior members of the global team. Guidance requires that anyone in a decision making capacity is required to complete the annual declaration regarding related party relationships and transactions, as well as confirming familiarity with and compliance to the Code of Ethics, delegated levels of authority and the quarterly management representation letter. The group received declarations from 620 members of the group-wide management team at year end (2020: 656 declarations received).

King IV application summary

The board endorses the King IV corporate governance principles, embracing the concept of integrated thinking, which underpins corporate citizenship, stakeholder inclusivity, sustainable development, and integrated reporting.

Leadership, ethics, and corporate citizenship

The directors hold one another accountable for decision-making based on integrity, competence, responsibility, fairness, and transparency through their commitment to lead the company based on the King IV principles. The chairman and lead independent director oversee this process on an ongoing basis.

Performance and reporting

This annual integrated report demonstrates how performance is achieved through the strategic initiatives. Bidcorp sets and achieves its strategic initiatives with reference to its risks and opportunities. The board assesses the outcomes from its business model continuously and adapts it as required.

Governing structures and delegation

The board serves as the focal point and custodian of governance. Its role and responsibilities and execution of duties are set out in the board charter. The board is satisfied with the current board composition bringing the optimal mix of knowledge, skills, experience, diversity, and independence. The board delegates responsibility to board committees. The performance of the board is annually appraised.

Governance functional areas

The board recognises the importance of risk management as it is linked to the strategy, performance, and sustainability of the group. Delegated by the board, the audit and risk committee delegates to management the implementation of processes to ensure that the risks are identified and mitigated. The board carries ultimate responsibility for the remuneration policy, seeking shareholder support, and delegating the remuneration policy rollout to the remuneration committee.

Stakeholder relationships

The board is responsible for and encourages positive stakeholder relationships; delegated to the management of each business to achieve effective stakeholder relationships with material stakeholders and to balance their legitimate and reasonable needs, interests and expectations.

Our corporate governance practices are aligned with the four governance outcomes namely ethical culture, effective control, legitimacy, and good performance.

The detailed King IV register can be found on the Bidcorp group website.

Remuneration philosophy

The key principles that shape our policy are:

- a critical success factor of the group is its ability to attract, retain and motivate the entrepreneurial talent required to achieve its operational and strategic objectives. Both short and long-term incentives are used to this end;
- delivery-specific short-term incentives (STI) are viewed as strong drivers of performance. A significant portion of senior management's reward is variable and is determined by the achievement of realistic profit and return targets together with an individual's personal contribution to the growth and development of the group. Only when warranted by exceptional circumstances, special bonuses may be considered as additional awards; and
- long-term incentives (LTI) align the objectives of management, shareholders and other stakeholders for a sustainable period.

The board carries ultimate responsibility for the remuneration policy, delegating the execution of the mandate to the remuneration committee who operates in terms of a board approved mandate.

When the remuneration policy was presented to shareholders at the AGM in 2020, a majority of shareholders voted against the policy and implementation thereof, and consequently there was an extensive shareholder engagement process conducted. All discussions and meetings regarding this matter were considered by the board, to ensure all concerns raised by dissenting shareholders were appropriately addressed.

The actions taken as a consequence of these discussions are detailed in the 2021 remuneration report.

Bidcorp remuneration committee approved the 2021 remuneration report on October 28 2021.

The 2021 remuneration report, which includes the remuneration policy and implementation thereof, which will be put to a non-binding shareholders' vote at the 2021 AGM, on Thursday November 25 2021.

Click here to access the full 2021 Remuneration Report.

Board performance assessment

The nominations committee carries out an annual board performance appraisal, and in line with charter requirements, engages the services of an external consultant to perform an independent board performance review. As part of the review, the performance of the board and its committees, as well as the performance of the chair of the board, are considered against their respective mandates in terms of the board charter and the charters of its committees.

In November 2019 a formal board performance assessment was completed by independent consultants Amrop Woodburn Mann. The results of the board evaluation indicated that board members, collectively and individually, effectively discharged their governance role, with some recommendations made for areas of improvement. The board set to actioning these recommendations, however some of the plans were delayed due to the COVID pandemic and the related travel restrictions put in place. Where action items were possible, these have been satisfactorily addressed.

At the June 2021 yearend, it was noted that in line with charter requirements, a board performance assessment is again due. The board has engaged the services of the same independent consultants, to conduct interviews with each of the directors, to assess the performance of the board and the board committees, and their satisfaction with the actions taken following the last review. The results of this review will be presented at the end of November 2021.

The board is satisfied that the evaluation process is improving its performance and effectiveness.

Induction and development

An induction programme is held for new members appointed to the board, tailored to the needs of individual appointee. An induction process was performed following the appointment of Mrs Keneilwe Moloko, appointed July 5 2021. This involves industry and company-specific orientation, such as meetings with senior management to facilitate an understanding of operations and on-site tours to have a first-hand experience with the workings of the warehouse, the logistics, and to meet some of the team. The company secretary assists the chair with the induction and orientation of directors and arranges specific training if required. The company will continue with directors' development and training to build on expertise and develop an understanding of the businesses and main markets in which the group operates.

Conflicts of interest

Conflicts of interest are actively managed to ensure candidate and existing directors have no conflicting interests between their obligations to the group and their personal interests. All directors are required to declare personal interests on a quarterly basis with a full related party disclosure completed annually. Declaration of directors' interests is a standing agenda point at each meeting. Directors who believe there may be a conflict of interest on a matter, advise the chairman and are recused from the decision-making process. Directors also adhere to the policy on disclosure and trading in securities of the company.

Tribute to Dolly Mokgatle

Sadly, the board reports the untimely passing of Mrs Dolly Mokgatle, on Saturday, January 9 2021. Dolly joined the Bidcorp board as an independent non-executive director on October 4 2016 and was a member of the social and ethics, and nominations committees.

The board notes the value Dolly's dignified manner, wise counsel, and insightful contribution made; Dolly will be sorely missed.

Good governance creating value

Board of directors

The Bidcorp board has established a good balance between the experience of longstanding directors and the fresh insights from more recently appointed directors.

Acquisitions committee

- **Paul Baloyi**
- Bernard Berson
- David Cleasby
- Brian Joffe
- Nigel Payne
- Clifford Rosenberg

Mr Paul Baloyi chairs the acquisitions committee. This strategic, growth-focused committee will stand the group in good stead through this challenging time. This committee supports the board in reviewing material investment opportunities, a key growth driver in Bidcorp's long-term value creation strategy.

Refer to the 2021 annual financial statements page 14, acquisitions committee report

Meetings convened: 2
August 24 2020, August 23 2021

Nominations committee

- **Stephen Koseff**
- Brian Joffe
- Nigel Payne

Appointment effective November 2021
- Paul Baloyi – Member

Independent non-executive chairman of the board, Mr Stephen Koseff, continues to chair this committee, following his April 2019 appointment. This committee was responsible for identifying the suitable candidates for appointment to the board, to ensure a strong and balanced board driving sustainable value creation for all stakeholders.

When filling vacancies, the board seeks and appoints qualified individuals who represent the diversity of the communities we serve. The board continue to monitor the work being done by the group to achieve a diverse workforce at all levels.

Refer to the 2021 annual financial statements page 15, nominations committee report

Meetings convened: 4
August 24 2020, February 16 2021, June 8 2021, August 23 2021

Remuneration committee

- **Nigel Payne**
- Paul Baloyi
- Clifford Rosenberg

Mr Nigel Payne is chairman of this committee, ensuring that the group motivates and incentivises the group executive and senior management appropriately through the adoption of a fair but robust, remuneration policy and practices. Fair and responsible awards to attract, retain and reward the right team is vital in the achievement of the group's strategy.

Refer to the 2021 annual financial statements pages 16 – 17, remuneration committee report

Click here for the 2021 Remuneration report, published on the Bidcorp group website **www.bidcorpgroup.com**

Meetings convened: 3
August 24 2020, August 23 2021, October 25 2021

Strengthening the board

The board has a rigorous and transparent procedure for considering new director appointments. The selection process in line with the annually reviewed diversity policy, considers the required balance of skills and experience and the ongoing task of aligning board composition with group strategy. Following the loss of Mrs Mokgatle, Mrs Keneilwe Moloko was appointed effective July 5 2021, bringing new insights and skills to the board. The board welcomes Mrs Moloko and looks forward to her valuable insights and diverse skillset strengthening the Bidcorp board.

Clarity of role and authority

The chief executive officer reports to the board and is responsible for the day-to-day business of the group and implementing policies and strategies approved by the board, supported through the delegation of these responsibilities to each management team of the subsidiary businesses in the group. Board authority conferred on management is delegated through the chief executive officer, against an approved delegation of authority. The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

Bernard Berson is the group chief executive officer. Under the terms of his employment agreement, six months' notice is required upon termination of employment or retirement. He has no other professional commitments outside the group.

Robust committee structure

Providing the board with valuable insight and perspective across the local and global economic environments.

Social and ethics committee

Nigel Payne
Tasneem Abdool-Samad
Bernard Berson
Helen Wiseman

Appointments effective November 2021
- Tasneem Abdool-Samad – Chairman
- Keneilwe Moloko – Member

Chaired by Mr Nigel Payne, comprising three independent non-executives and the group's chief executive officer, the committee is well represented. The commitment of the group CEO to the mandate of this committee strengthens the group-wide commitment to the non-financial reporting elements key to the group's long-term sustainability.

The committee ensures that group strategy execution is ethical and sustainable, in line with the long-term value creation objectives.

Refer to the 2021 annual financial statements page 18, social and ethics committee report

Meetings convened: 5
August 25 2020, November 19 2020, February 22 2021, May 20 2021, August 24 2021

Audit and risk committee

Helen Wiseman
Tasneem Abdool-Samad
Paul Baloyi
Nigel Payne

Appointment effective November 2021
- Keneilwe Moloko – Member

Mrs Helen Wiseman chairs this committee since the group's listing in May 2016, as well as the chairmanship of the five divisional audit and risk committees, places the insight and depth of knowledge this committee presents in an irrefutably strong position.

The committee provides independent oversight and assessment of the group's financial reporting, business and financial controls, risk management, regulatory compliance, and internal and external audit processes.

Refer to the 2021 annual financial statements pages 9 – 13, audit and risk report

Click here for the year-end results, on the Bidcorp group website **www.bidcorpgroup.com**

Meetings convened: 7
August 20 2020, November 12 2020, February 18 2021, May 12 2021, August 19 2021, September 27 2021, October 27 2021

Divisional Audit and Risk Committees

Australasia
Australia, New Zealand

United Kingdom
Bidfood UK, Bidfresh

Europe
Netherlands, Belgium, Czech & Slovakia, Poland, Italy, Baltics, Spain, Portugal, Germany

Emerging Markets
Asia, Chile, Brazil, Argentina, Africa, Middle East, Turkey

Corporate
Corporate Services, BPC, BidOne

Board independence

The board comprises a majority of independent non-executive directors. The board considered the issue of directorial independence in accordance with the rationale and meaning of King IV's independence recommendations. Assessments of each non-executive director considered salient factors and each individual's unique qualities and circumstances. The board is satisfied that in line with best practice governance recommendations the Bidcorp board presents a majority of independent non-executive directors.

Balance of power

Responsibility for running the board and executive responsibility for the business are differentiated, no individual has unfettered powers of decision making. Mr Stephen Koseff is the board's independent non-executive chairman and Mr Bernard Berson, an executive director, is chief executive officer. The roles are separate and clearly defined. In line with ongoing good governance practices, the board appointed a lead independent director, Mr Nigel Payne, effective November 2019.

Company secretary

The company secretarial function was restructured to appoint Bidcorp Corporate Services (Proprietary) Limited (Bidcorp Corporate Services), to be represented by Ms Ashley Kim Biggs, effective January 1 2021. The board is comfortable that an arm's length relationship between the board and the company secretary is in place. The board confirms that it has received the required guidance on governance and compliance matters, has received timely communications, and is satisfied with the qualifications, competence, and expertise of the company secretary.

Good governance creating value

Good governance framework – Building robust governance environment on our four basic pillars

1. Governance

Bidcorp is all about the food, the service and the technology; driving our continued commitment to create sustainable value for all our stakeholders. The group is committed and adheres to the highest level of corporate governance and business integrity. Achieved through the support and buy-in from each of the global management teams, providing and implementing robust structures and best practices to deliver timely, compliant and value-adding information to the centre.

The Bidcorp board serves as the focal point and custodian of governance within the group. The board's role and responsibilities are set out in the annually reviewed and adopted board charter, which is compliant with the requirements of the Companies Act, the recommendations of King IV, the JSE Listings Requirements and other applicable laws, rules and codes. This charter sets the tone and is indicative of the board's commitment to the four values that underpin good governance: responsibility, accountability, fairness and transparency.

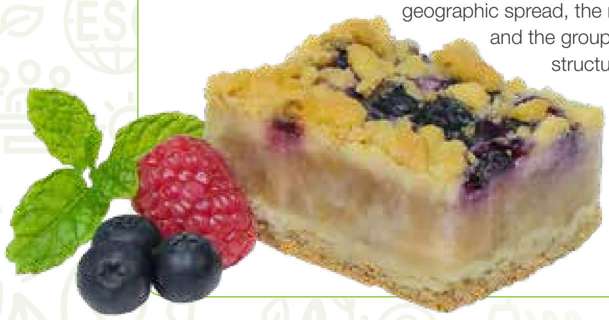
In line with the Companies Act, the Bidcorp board charter*, read in conjunction with the Memorandum of Incorporation (MoI), provides that the company and its affairs be managed by the direction of the board, which has the authority to exercise all the powers and perform all the functions of the company. The directors' general powers are set out in the company's MoI.

The board delegates specific responsibilities to board committees which focus on the needs and strategies of the business while meeting the reporting requirements of a JSE listed entity.

Our executive directors are responsible for the successful implementation of group-wide, business specific strategies through the execution of the necessary operational decisions. Non-executive directors provide an independent perspective and complement the knowledge, skills and experience of our executive directors. Non-executive directors objectively assess Bidcorp's strategy, budget, performance, risk oversight, diversity, employment equity, and standards of conduct.

Mandatory governance requirements, both statutory and legislative, are addressed by each Bidfood management team, directed under group guidance through the divisional audit and risk committees' approval of relevant charters*, codes*, policies and frameworks*. In line with Bidcorp's decentralised structure, operational management develops business specific policies and procedures which effectively and efficiently delivers on the group requirements.

The board comprises an independent non-executive chairman, a lead independent non-executive director and a further seven independent non-executive directors, and two executive directors. Due to our wide geographic spread, the nature of the business and the group's decentralised structure, the directors have concluded that there are no prescribed officers within the group.



2. Assurance

The Bidcorp board ensures the necessary levels of assurance services and functions are in place through the delegation of this function to the group audit and risk committee[#]. This committee, supported by the divisional audit and risk committee structure enables an effective control environment which is equipped to assure the integrity of information reported back to the board, enabling effective decision making.

Bidcorp has a group-wide robust, independent, risk-based internal audit function whose authority and responsibilities are defined in a board approved internal audit charter*. The internal audit function objectively evaluates business processes and internal controls, to support management's efforts to foster a strong control environment focused on operational excellence.

The group and divisional internal audit managers' report to the independent chairman of the audit and risk committee[#] and have unrestricted access to the committee and group executives. Regular meetings take place between the internal audit managers and the chairman of the audit and risk committee. The internal audit (IA) function is well-constituted with professional audit staff, possessing sufficient knowledge, skillset and experience to execute their responsibilities.

A risk-based IA plan is annually approved by the divisional and group audit and risk committees and each quarter reviewed by the committee for progress and potential adjustments to meet the evolving risk environment.

In accordance with the group's combined assurance model, the IA team liaises with all other assurance providers, including but not limited to the external auditors, the insurance risk analysis team, health and safety teams, food safety experts etc. Taking advantage of artificial intelligence technologies, smart and intuitive tools and continuous audit methodologies, IA is able to maximise efficiencies in the key risks assurance coverage to recommend an opinion to the board on the effectiveness of the respective control environments and associated risks.

Based on the audit and risk committee report[#] and the internal auditors' findings and recommendations, the board is satisfied with the group-wide effectiveness of the financial controls and internal control system.

Financial controls attestation

The JSE issued requirement for a positive attestation from the management team on the financial control environment triggered a robust review of the key financial controls in place throughout the group. Engaging with management, internal audit, and external audit a group-wide financial key controls principles document was distributed, requiring each environment to confirm compliance with this standard. This exercise was key in meeting the requirements for the financial controls attestation in June 2021; and to inform the assurance plan to be put in place for the year ahead.

* Governance documentation, including the items listed below, can be found on the Bidcorp group website – board and Internal Audit Charters, Bidcorp Code of Ethics, Bidcorp Tip-offs

Refer to the 2021 annual financial statements

3. Compliance

Bidcorp recognises that geographical diversity and decentralisation creates potential vulnerability to the risk of statutory and regulatory non-compliance. As the impacts differ in the various jurisdictions, each entity is required to identify the requirements which apply to its specific operating environment and the information that must be held in terms of this legislation.

The board annually confirms that Bidcorp complies with the JSE Listings Requirements and places strong emphasis on the highest standards of financial management, accounting and reporting. On economic, environmental and social issues, the company follows Global Reporting Initiatives Sustainability Reporting Guidelines. The board has a social and ethics committee# and ensures quarterly compliance reporting with social and ethics standards – group-wide, industry-wide and across our geographies.

Bidcorp performs an annual review* to monitor continued alignment with King IV principles and best practice recommendations. This analysis identified the steps taken to ensure the application of governance principles and those principles requiring ongoing attention and action.

Ensuring an ethical environment

Bidcorp's commitment to building and sustaining an ethical organisational culture is entrenched.

The board reviews the Bidcorp Code of Ethics* annually and ensures its continued application in each group entity.

The code requires the highest standards of integrity, ethics and behaviour, nondiscriminatory employment and promotion practices, support for employees through training and development and proactive engagement on environmental, social and sustainability matters.

The board ensures no director, manager, employee or members of their immediate family deals directly or indirectly in the securities of the company on the basis of unpublished, price-sensitive information nor during any embargo determined by the board. Dealings in the company's securities by directors and officers are listed and circulated at every board meeting for noting.

In support of this code and Bidcorp's values, the board supports the confidential reporting of fraud, theft, corruption, breach of ethics and improper behaviour. Bidcorp has engaged with Deloitte's whistleblower facility* to ensure that in all Bidcorp geographies, a local telephone number, answered in the local language is available to all stakeholders, as well as access to the email and online service to report any perceived unethical behaviour. This outsourced and independent "whistleblowing" service enables stakeholders to anonymously report suspect behaviour, including noncompliance with company policies. All reported incidents are investigated by management and, where appropriate, action is taken.

In line with legislation, our pledge not to victimise whistleblowers ensures transparency and promotes ethical conduct.

Refer to the Stakeholders: Employees on page 19

4. Risk management

The board ensures that the King IV recommendations are integrated into the risk management function. These recommendations and group requirements form part of an ongoing enterprise-wide risk assessment process in support of the group's philosophy.

The board has delegated the responsibility for risk management to the audit and risk committee#.

Management is accountable to the board for implementing and monitoring the processes of risk management while integrating it into day-to-day activities. This enables management to focus on critical issues at a business and industry level. The individual business risks are consolidated to consider the joint impact on the group.

Refer to the Risk section of this report.

IT and data governance

The board recognises technology as a mechanism to access, protect, and manage information. An IT governance framework* has been approved by the board, intended to serve as a group-wide baseline.

Fit-for-purpose in-house operational IT skills, with the necessary strategic IT oversight, are in place. The IT functions are generally run lean, however, significant investment continues to be made in the IT innovation and ecommerce space.

Inhouse IT skills are complemented by outsourced vendors with specialist networking, telecommunications, and cyber security skillsets. Entity specific business resilience controls are in place and tested as part of internal audit scope.

Significant attention has been given to the identification and management of cyber-security risks across the group. Implementation and enhancement of this key control environment is monitored and managed by each business, in line with the group framework. The governance of data and management of data privacy, ensuring the necessary supporting IT architecture is appropriate and effective, ensures compliance with the applicable legislation.

Refer to the Divisional Reviews: Manufactured capital in this report